

Message Text

CONFIDENTIAL

PAGE 01 PRAGUE 01531 281714Z

53

ACTION L-03

INFO OCT-01 EUR-25 ISO-00 EB-11 TRSE-00 FCSC-01 OMB-01

FBO-01 A-01 SS-20 NSC-07 CIAE-00 INR-10 NSAE-00

RSC-01 SP-03 ABF-01 CIEP-02 SSO-00 NSCE-00 INRE-00

DRC-01 /089 W

----- 073038

O 281600Z JUN 74

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC IMMEDIATE 6500

C O N F I D E N T I A L PRAGUE 1531

E.O. 11652: GDS

TAGS: PFOR, EFIN, L/C, CZ, US

SUBJECT: CLAIMS NEGOTIATIONS -- AGREED ARTICLES

REF: STATE 128600

1. US AND CZECH DELEGATIONS REACHED AGREEMENT ON TEXT OF ARTICLE 3 AND 7. AGREED LANGUAGE OF ARTICLE 3, WHICH APPEARS BELOW, DIFFERS IN FOLLOWING NON-SUBSTANTIVE WAYS FROM US DRAFT: (1) UNNECESSARY WORDING IN PARAGRAPH ONE OMITTED AT CZECH REQUEST; (2) TIMING OF FIRST INSTALLMENT PAYMENT MADE MORE GENERAL TO COVER CONTINGENCY THAT AGREEMENT MIGHT NOT BE SIGNED IN 1974; (3) FINAL SENTENCE OF PARAGRAPH 1 DELETED PENDING RESOLUTION OF GOLD PROBLEM (SEE PRAGUE 1516) (DEPENDING ON HOW GOLD PROBLEM RESOLVED WE WILL SUGGEST NECESSARY TAILORING); AND (4) PARAGRAPH 2 REARRANGED WITHOUT SUBSTANTIVE CHANGE TO SOLVE CZECH TRANSLATION PROBLEMS AND TO INCLUDE ONE-YEAR DEFERRAL OF ACCELERATOR CLAUSE AS AGREED TO IN REFTEL.

2. ARTICLE 3

(1) THE CZECHOSLOVAK GOVERNMENT SHALL PAY THE LUMP SUM REFERRED TO IN ARTICLE 1 AS FOLLOWS: \$4 MILLION UPON THE DATE OF THE ENTRY INTO FORCE OF THIS AGREEMENT AND THE BALANCE IN ANNUAL INSTALLMENTS OF \$1,375,000, EACH INSTALLMENT.

CONFIDENTIAL

PAGE 02 PRAGUE 01531 281714Z

SENT TO BE PAID ON THE 10TH DAY OF JUNE BEGINNING ON THE 10TH

DAY OF JUNE OF THE YEAR FOLLOWING THE YEAR THIS AGREE-
MENT ENTERS INTO FORCE.

(2) IF 4 PERCENT OF THE DOLLAR PROCEEDS OF THE IMPORTS
INTO THE UNITED STATES FROM CZECHOSLOVAKIA BASED ON THE F.O. B.
VALUE IN THE CALENDAR YEAR PRECEDING THE DATE OF PAYMENT OF
THE INSTALLMENT DUE SHALL EXCEED \$1,375,000, THE CZECHOSLOVAK
GOVERNMENT SHALL PAY THE EXCESS AMOUNT, IN ADDITION TO THE
INSTALLMENT, IN ACCELERATION OF THE PAYMENT OF SCHEDULED
INSTALLMENTS. ANY SUCH EXCESS AMOUNT PAID SHALL BE DEDUCTED FROM
THE FINAL INSTALLMENT OR INSTALLMENTS, AS THE CASE MAY BE.
SUCH ACCELERATION OF PAYMENTS SHALL NOT APPLY TO THE INITIAL
ANNUAL INSTALLMENT.

(3) THE GOVERNMENT OF THE UNITED STATES AND THE CZECHO-
SLOVAK GOVERNMENT AGREE THAT FOR THE PURPOSE OF THIS
AGREEMENT, THE F.O.B.D.B. VALUE IN DOLLAR IMPORTS INTO THE
UNITED STATES FROM CZECHOSLOVAKIA SHALL BE TAKEN FROM THE
OFFICIAL PUBLICATIONS OF THE UNITED STATES DEPARTMENT OF
COMMERCE (THAT IS, FT 990, US FOREIGN TRADE, HIGHLIGHTS OF
EXPORTS AND IMPORTS, OR ITS SUCCESSOR PUBLICATION). THE
GOVERNMENT OF THE UNITED STATES UNDERTAKES TO
INFORM THE CZECHOSLOVAK GOVERNMENT OF THAT VALUE ON OR
BEFORE MARCH 31 OF EACH YEAR.

3. TEXT OF AGREED ARTICLE 7, BELOW, IS IDENTICAL TO US
DRAFT WITH DELETION OF FINAL SENTENCE FOR REASONS GIVEN IN
PARAGRAPH 1(3) ABOVE.

4. ARTICLE 7

AFTER THE SIGNING OF THIS AGREEMENT THE GOVERNMENT OF
THE UNITED STATES WILL INFORM THE TRIPARTITE COMMISSION FOR
THE RESITUITION OF MONETARY GOLD OF ITS AGREEMENT TO THE RELEASE
TO THE CZECHOSLOVAK GOVERNMENT OF 18,400 KILOGRAMS OF GOLD.
WORTZEL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LITIGATION, DEBT REPAYMENTS, NEGOTIATIONS, PROPERTY WAR CLAIMS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PRAGUE01531
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740172-0101
From: PRAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974064/aaaaacsw.tel
Line Count: 95
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION L
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: STATE 128600
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 17 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 APR 2002 by kelleyw0>; APPROVED <23-Sep-2002 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CLAIMS NEGOTIATIONS -- AGREED ARTICLES
TAGS: PFOR, EFIN, CZ, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005